

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6495

BILL NUMBER: SB 136

NOTE PREPARED: Dec 13, 2005

BILL AMENDED:

SUBJECT: Child Support Payments from Joint Accounts.

FIRST AUTHOR: Sen. Kruse

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that before enforcing a judgment against funds in a checking or savings account held jointly by a child support obligor and the obligor's spouse, a court clerk must send a notice informing the spouse that the spouse may request a hearing and present evidence that a portion of the funds in the joint account should not be subject to legal process for child support purposes. The bill requires the court to hold a hearing after a spouse's request, and specifies factors the court may consider in determining whether some or all of the funds in a joint account should not be subject to legal process for child support purposes.

Effective Date: July 1, 2006.

Explanation of State Expenditures: This bill would disallow a court from enforcing a judgment which would garnish, attach, or otherwise acquire by legal process the funds in a checking or savings account held jointly by an obligor and an obligor's spouse.

The bill requires the clerk of the court to send a notice to the spouse of the obligor by registered mail. The cost to send a one-ounce registered mail letter is \$7.87. The Department of Child Services (DCS) reports that it does not collect information pertaining to the number of joint checking accounts to which income withholding orders are administered. Clerks of the court would experience an increase in cost. Actual increases would be dependent on the number of additional registered mail letters required to be sent.

The bill allows the spouse of the obligor to request a hearing during which the court will determine whether any portion of the funds should not be garnished, attached, or otherwise acquired. The DCS reports that its current practice is to allow any person listed on a joint checking account with an obligor the right to a hearing.

Background Information: In FY 2005, the DCS collected \$1.4 M in income withholding orders from checking and savings accounts.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: Department of Child Services.

Local Agencies Affected: Clerks of the Court.

Information Sources: Wendy Yerkes, Department of Child Services, 233-4482; Lucy Mikula, Department of Child Services, 232-7981.

Fiscal Analyst: Sarah Brooks, 317-232-9559.